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DIVERSEY MANOR APARTMENTS

TENANT SELECTION PLAN

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1.0 PURPOSE

This policy is established in order that the Landlord (5525 W Diversey Manor Apartments, LLC) and its Management Agent (Resident Management Services, Inc. or any successor) (the “Agent”) will meet its responsibilities pursuant to the United States Housing Act of 1937, as amended, Title VI of the Civil Rights Act of 1964, and all other civil rights requirements, regulations, promulgated by the U.S. Department of Housing and Urban Development (HUD), , HAP Contract and RAD Use Agreement, Section 42 of the Internal Revenue Code of 1986, Section 142 (d) of the Internal Revenue Code of 1986 as Amended, if applicable, the Federal HOME Investment Partnership Program, Illinois Low-Income Housing Trust Fund, the Federal Home Loan Bank, for its Affordable Housing Program, and state and local laws, and any other applicable affordable housing programs.

This Policy governs admission and occupancy of units at Diversey Manor Apartments, located at 5525 West Diversey, Chicago, Illinois. It is the intent of the Landlord and Agent to provide decent, safe, and affordable housing for qualified seniors and families in all units owned and/or operated by the Landlord or Agent.

Diversey Manor Apartments contains 45 RAD PBV units which are governed by the administrative policies and procedures of the Rental Assistance Demonstration Program.

For RAD PBV Units, in circumstances where there is specific conflict between lease terms, rules, policies or procedures (“Property Terms”) and Chapter 18 of the CHA’s HCV Administrative Plan, the Property Terms will control, unless superseded by HUD regulations, federal or state laws, and /or local ordinance. Where the Property Terms are silent, provisions of CHA’s Administrative Plan, Chapter 18, may apply.

The Landlord and Agent will not discriminate on the basis of race, color, creed, national origin, religion, age, sex, handicap, marital status, or any other protected status in any phase of the occupancy process. The occupancy process includes, but is not necessarily limited to, application processing, leasing, transfers, access to management and services, access to common facilities, treatment of residents and termination of occupancy.

2.0 DEFINITIONS

NOTE: Definitions may be modified from time to time because of issuance of Federal, State or local regulations.

2.1 Adjusted Income

Annual income less:

- A. \$480.00 for each dependent with the exception of Foster Child, Foster Adult or unborn children;
- B. \$400.00 for any family whose head of household or spouse is 62 years of age or older, handicapped or disabled;
- C. Medical expenses in an amount that exceeds three (3%) percent of annual income for any elderly family. NOTE: The amount allowable as a deduction for elderly families entitled to both medical and handicapped assistance expenses is the amount that the combined expenses exceed three (3%) percent of annual income;
- D. Handicapped assistance expenses in excess of three (3%) percent of annual income if such expenses enable a family member to work; and
- E. Child Care Expenses for the care of children 12 years of age and younger cannot exceed \$480 per child attributable to work or full-time student status (except for Head, Spouse, Co-Head). Child care payments for a child not living in the home cannot be deducted.

2.2 Annual Income

- A. Annual income is the anticipated total income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of initial determination or re-examination of income, exclusive of certain types of income specified in paragraph C in this section.
- B. Income includes, but is not limited to:
 - 1. The full amount, before any payroll deductions of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
 - 2. The net income from operation of business or profession (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business, but straight-line depreciation of assets is allowable);

3. Interest, dividends, and other net income of any kind from real or personal property (for this purpose, expenditures for amortization of capital indebtedness shall not be deducted to determine the net income from real or personal property, but straight-line depreciation of assets is permissible). Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
4. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (see paragraph C.3. of this section);
6. Welfare assistance, if the payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities plus;
 - b. The maximum amount that the welfare assistance could, in fact, allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;
 - c. The Imputed Welfare Income is the amount of income not actually received by a family member, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income. Annual income is Imputed Welfare income plus the amount of other annual income. However, the amount of imputed annual income is offset by income from other sources received by the family that starts after the sanction is imposed;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
8. All regular pay, special pay, and allowances of a member of the United States Armed Forces (see paragraph C.7 of this section); and
9. Relocation payments.

C. Annual income does not include the following:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);
3. Lump-sum additions to family assets such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), lump-sum payments for the delayed start of periodic payments received from Social Security/Supplement Security Income (SSI), capital gains and settlement for personal or property losses (see paragraph B.5 of this section);
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a Live-In aide, as defined in Section 2.18;
6. The full amount of student financial assistance paid directly to the student or to the educational institution;
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
8. Amounts received under training programs funded by HUD;
9. Amounts received by a Person With a Disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
10. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
10. A resident service stipend. A resident service stipend is a modest amount (not to exceed \$200.00 per month) received by a RAD PBV resident for performing a service for Agent, on a part-time basis, that enhances the quality of life in publicly subsidized housing. No resident may receive more than one such stipend during the same period of time;
11. Compensation from State or local employment training programs and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined by Agent;
12. Temporary non-recurring or sporadic income (including gifts);

13. Reparation payments made by foreign governments in connection with the Holocaust (for all initial determinations and re-examinations carried out on or after April 13, 1993);
14. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. A listing of those programs specifically excluded is attached hereto as **Appendix A**;
15. Earned income of Full-Time Students age 18 and older in excess of \$480.00 annually;
16. Adoption assistance payments in excess of \$480.00 per adopted child;
17. The earnings and benefits to any resident resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the U.S. Housing Act of 1937, or any comparable Federal, State, or local law during the exclusion period;
18. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;
19. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
20. Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
21. Two-year Rent Phase-in or Savings Account Income Disallowance; The earned income of an eligible family member will be excluded from the rent determination and phased in over a two-year period. In lieu of the rent phase-in, at the resident's request, a savings account may be established for the resident. To be eligible, a (i) family must be a current resident of RAD PBV or Public Housing, whose income must have increased as a result of employment, and the leaseholder must have been previously unemployed for one or more years; or (ii) the family must have received earned income increases during the participation in any family self-sufficiency or other job training program; or (iii) the family is or was, within the last six months, receiving assistance from TANF and their earned income increases.

D. Treatment of income changes resulting from welfare program requirements.

In accordance with the Work Responsibility Act of 1999, the Agent will not reduce the monthly rental payment made by families whose welfare assistance is reduced specifically because of fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement. The family shall not have their rent reduced based on the benefit reduction.

2.3 Application for Admission

A written form to be signed and dated by all adult members of the family that includes information the Agent needs to determine whether the family can be admitted in accordance with Section 4.0. The format for this basic information is developed by the Agent and approved by the Agent.

2.4 Child Care Expenses

Amounts anticipated to be paid by the family for the care of children 12 years of age and younger during the period for which annual income is computed but only where such care is necessary to enable a family member to be gainfully employed or to further his/her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare, and in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.

2.5 Dependent

A member of the family household (including foster children) and other than family head or spouse, co-head, common law spouse, or boyfriend/girlfriend of head, who is a minor or is a Person With a Disability or is a Full-Time Student.

2.6 Intentionally Deleted

2.7 Displaced Person

A person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

2.8 Elderly Family

A family whose head or spouse (or sole member) is 62 years of age or older. It may include two or more elderly living together, or one or more of these persons living with one or more live-in aides.

2.9 Elderly Person

A person who is at least 62 years of age.

2.10 Near-Elderly

A person who is at least 50 years of age, but less than 62 years of age.

2.11 Family

A family includes, but is not limited to:

- a. two or more persons living together who are related by blood, marriage or operation of law, or have evidence of a stable relationship which has existed over a period of time, whose income and/or resources meet the family's needs;
- b. an elderly, near-elderly family or single person as defined in this policy;
- c. the remaining member of a family;
- d. a displaced person; and
- e. a single, pregnant woman.

A person named on the lease living alone during the temporary absence of a family member who will later live regularly as a part of the family is included in this definition.

2.12 Intentionally Deleted

2.13 Full-Time Student

A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

2.14 Handicapped Assistance Expense

Reasonable costs that are anticipated, during the period for which annual income is computed, for live-in aides and auxiliary apparatus for a handicapped or disabled family member and that are necessary to enable a family member to work.

2.15 Head of Household

The head of household is an adult member or an emancipated member of the family who is responsible for supplying the needs of the family.

2.16 Intentionally Deleted

2.17 Intentionally Deleted

2.18 Live-In Aides

A person who resides with an Elderly Person or a Person With a Disability who:

- A. is, as verified by a Doctor or other health professional, to be essential to the care or well being of the person;
- B. is not obligated for support of the person; and
- C. would not be living in the unit except to provide necessary supportive services.

2.19 Community (or Site)

A term used to identify units located in the Diversey Manor Apartments development.

2.20 Lower Income Family

A Project-based housing family whose annual income does not exceed 80 percent (80%) of the median income by family size for the area, as determined by HUD.

2.21 Medical Expenses

Those medical expenses, including medical insurance premiums, which are anticipated during the period for which annual income is computed, and that are not covered by insurance or reimbursed.

2.22 Minor

A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

2.23 Monthly Adjusted Income

One-twelfth (1/12) of adjusted income.

2.24 Monthly Income

One twelfth (1/12) of annual income.

2.25 Net Family Assets

Net cash value after deducting reasonable costs that would be incurred in disposing of real and personal property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and equity of personal property such as furniture and automobiles shall be excluded. (In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Section 2.2.) In determining net family assets, the Agent shall include the value of any assets disposed of by an applicant or resident for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two (2) years preceding the date of application for the program or re-examination, as applicable, in excess of the consideration received therefore. In the case of a disposition as a part of the separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or resident receives important consideration not measurable in dollar terms.

2.26 Person With a Disability

Shall mean a person with a disability as defined in Section 233 of the Social Security Act (42 USC 423) or in Section 102 of the Development Disabilities Services Facilities Construction Amendments of 1970 (42 USC 2691 (1)); or a person having a physical or mental impairment that:

- A. is expected to be of a long-continued and indefinite duration;
- B. substantially impedes his/her ability to live independently; and
- C. is of such a nature that such ability could be improved by more suitable housing conditions.

2.27 CHA Housing Requirements

Shall mean the Act, HUD regulations thereunder (except to the extent that HUD has granted waivers of regulatory requirements), the Declaration of Restrictive Covenants, the HAP Contract and RAD Use Agreement, Gautreaux Court Orders, the Moving to Work Demonstration Agreement, and all other pertinent Federal

statutory, executive orders, and regulatory requirements, as such requirements may be amended from time to time.

2.28 Reasonable Accommodation

Reasonable accommodation is making alterations or adaptations to provide access to otherwise qualified Persons With Disabilities in the use of the program and facilities, without causing undue hardship or substantially altering the program or activity, in compliance with ADA Regulations.

2.29 Single Person

A single person is a person living alone or intending to live alone, and who does not qualify as an elderly family, near-elderly, or a Person With a Disability or a displaced person as defined in this Section, or as the remaining member of a resident family, or who is not a single, pregnant woman.

2.30 Spouse

The husband or wife of the head of household.

2.31 Resident Rent

The amount payable monthly by the family as rent to the Agent for occupancy of a unit. Some utilities and other essential housing services are not supplied by the Agent, and the cost thereof is not included in the amount paid as rent. Resident Rent for Project-Based Voucher housing residents equals total resident payment less the utility allowance. Resident Rent for LIHTC units will be determined by the Agent but shall not exceed the maximum rent allowed under Tax Credit and Other Requirements.

2.32 Total Resident Payment

The monthly amount calculated for a Project-Based Voucher unit under “A” below. Total resident payment does not include charges for excess utility consumption or miscellaneous charges.

- A. Total Resident Payment for a family whose initial lease is effective on or after August 1, 1982, shall be the highest of the following, rounded to the nearest dollar:
1. 30 percent (30%) of monthly adjusted income,
 2. 10 percent (10%) of monthly income, or
 3. Minimum Rent.

2.33 Minimum Rent

In accordance with Section 507 of the Quality Housing and Work Responsibility Act of 1998, minimum rent requirements have been set at \$75 for RAD PBV residents. The act also requires the Agent to waive minimum rents for an indefinite period of time for RAD PBV families with a long-term financial hardship. The resident must provide Agent with reasonable documentation to substantiate the financial hardship.

A financial hardship includes the following situations:

1. The family is awaiting an eligibility determination to receive federal, state or local assistance (includes legal aliens entitled to receive assistance under the INA).
2. The family's income decreases due to changed circumstances, loss of employment or a death in the family.
3. The family will be evicted as a result of non-payment of the minimum rent.

Financial hardship status will be granted immediately to RAD PBV families requesting a hardship exemption for a period of 90 days. When the family request a hardship exemption, the minimum rent requirement will be immediately suspended until a determination can be made by Property Management as to the validity of the hardship exemption and whether it is temporary or long term.

2.34 Utilities

Utilities are water, electricity, gas, telephone, cable TV, garbage and sewage services. Landlord shall be responsible for all utilities except resident telephone and cable TV charges.

2.35 Utility Allowance

If the cost of utilities (except telephone and cable TV) and other housing services for a RAD PBV housing unit is not included in the resident rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by the Agent or HUD, under 24 CFR Part 965, of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances should be consistent with the requirements of a safe, sanitary, and healthful living environment.

2.35 Utility Reimbursement

The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total resident payment for the family occupying the unit.

2.36 Very Low-Income Family

A family whose annual income does not exceed 50 percent (50%) of the median income by family size for the area, as determined by HUD.

2.37 Veteran

Veteran is a person who served in the active military, naval, or air service, and who was discharged or released under honorable or general conditions.

2.38 Welfare Assistance

Welfare or other payments to families, based on need, that are made under programs funded, separately or jointly, by federal, state or local governments.

2.39 Hate Crimes

Actual or threatened physical violence or intimidation that is directed against a person or his or her property, and that is based on a person's race, color, religion, sex, national origin, handicap, or familial status.

2.40 Section 42

Section 42 of the Internal Revenue Code of 1986, as amended, and any implementing regulations.

2.41 Tax Credit and Other Requirements

Any and all matters required by Section 42 of the Internal Revenue Code of 1986 as Amended, the Federal HOME Investment Partnership Program, Illinois Low-Income Housing Trust Fund, the Federal Home Loan Bank's Affordable Housing Program, or any other agreement made as a condition of receipt of tax credits, whether or not such requirement is explicitly stated in Section 42 or regulations thereunder, and any other requirements under applicable affordable housing finance programs.

2.42 HAP Contract

The contract entered into by the Landlord and the contract administrator that sets forth the rights and duties of the parties with respect to the project and the payments under the contract.

2.43 RAD Use Agreement

The document specifying the affordability and use restrictions for Diversey Manor Apartments, which will be coterminous with the HAP Contract and will be recorded prior to the lien of the first mortgage.

2.44 Employment and Self-Sufficiency Requirements

(i) All household members age 18 or over and any household member between the ages of 17 and 18 who drops out of school must be engaged in 30 hours of work or a combination of activities that promote self-sufficiency including but not limited to:

- (a) Employment;
- (b) Enrollment and regular attendance in an economic self-sufficiency program, including a HOPE VI Community and Supportive Services program;
- (c) Verified job search and/or regular attendance at employment counseling;
- (d) Basic employment skills training;
- (e) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.
- (f) Retired receiving a pension.

(ii) All household members age 6 to 17 must regularly attend school. All applicant households must sign the School Certification and document that children under the age of 13 are adequately supervised by a responsible household member or participate in daycare, an after school program or are otherwise adequately supervised.

(iii) The following family members are exempt from the employment and self-sufficiency requirements:

- (a) Individuals age 62 or older;
- (b) People with disabilities who are unable to work because of the disability;
- (c) The primary caretaker of a person with disabilities;
- (d) Single parent serving as primary, full-time caretaker for children age 12 months and under;
- (e) An individual who is retired and is receiving a retirement annuity or a pension.

3.0 DETERMINATION OF ELIGIBILITY AND SUITABILITY

The Application for Admission and Record of Applications (hereinafter called "Waiting List") constitutes the basic records of each family applying for admission. Prior to the execution of any lease between the Agent and the

applicant, the Agent will certify in writing that the family meets all conditions governing eligibility and suitability. The specific requirements for eligibility and suitability are critical to the success of the property and are outlined below.

If the Agent determines that an applicant is ineligible, the Agent shall promptly notify the applicant. When requested, and within a reasonable time after the determination is made, the applicant shall be provided an opportunity for an informal hearing conducted by someone other than the person who made the initial decision.

If a determination has been made that the applicant is eligible and satisfies all requirements for admission, the applicant shall be notified of the approximate date of occupancy insofar as that date can be reasonably determined.

4.0 ADMISSION AND SELECTION

4.1 PHA Assisted Units

Agent will continuously set aside 45 units in the Diversey Manor Apartments development as RAD PBV Units during the term of this Agreement, which units will initially contain a total of 45 one (1) bedrooms. Provided that Agent continues operating the RAD PBV Units in accordance with the Act and in accordance with the terms of the HAP Contract and RAD Use Agreement, such units shall be eligible to receive the HAP Contract payments. The RAD PBV Units shall initially comprise the following mixture of unit sizes and descriptions:

<u>Unit Size</u>	<u>Number of Units</u>
1 Bedroom	45

The RAD PBV Units shall be scattered evenly throughout the Development, and within structures within the Development. RAD PBV Units and Non-RAD PBV Units shall be maintained and operated without distinction, excepting such differences in admissions procedures, lease terms and other conditions as are mandated by CHA Housing Requirements or intended by Agent and Authority to effectuate CHA Housing Requirements and/or benefit the RAD PBV Units.

4.2 Target Mix of Incomes

The following unit mix will be maintained among the 98 Tax Credit Units (which includes 45 RAD PBV Units in the Diversey Manor Apartments development).

- a. 45 of the 45 RAD Project-Based Voucher Units shall be rented to project-based housing applicants whose income at the time of admission is between 0 – 60% of Area Median Income (AMI). Families must maintain lease compliance as outlined in this Tenant Selection Plan).
- b. 53 of the Tax Credit Units shall be rented to non-project-based housing applicants whose income at the time of admission is between 0–60% of AMI. Families must maintain lease compliance as outlined in this Tenant Selection Plan.
- c. In no event shall any applicant be admitted to a Project-Based Housing Unit whose income exceeds the maximum income allowable under Tax Credit and Other Requirements.

The Management Agent will take all reasonable steps to maintain qualified applicants on the Waiting List within the income levels described above, and will diligently attempt to satisfy the income requirements described above and will keep records of its efforts to meet such requirements. Sufficient marketing efforts shall consist of the following outreach: (i) a direct mailing to eligible families in the order of their priority; (ii) simultaneously, no less than two (2) phone calls to the eligible family over a 48-hour period. In the event the prospective eligible family does not respond to the letter or phone calls within ten (10) days of the date of the mailing of such letter, the Agent will cause to be delivered a certified letter to such prospective eligible family advising them of their failure to participate and affording them one last opportunity to contact the Agent, within 48 hours of the date of the certified letter, by phone or in-person before being deemed non-responsive and ineligible for housing. Further, CHA shall assist Agent and Landlord in attempting to satisfy these income requirements by sorting CHA's Housing Offer Process List ("HOP List") and CHA's general public housing waiting list by income.

4.3 Eligibility for Admission

Eligible applicants for admission to RAD PBV Units are those:

- A. Who qualify as a Family as defined in Section 2.11; and
- B. Whose annual income meets the definitions as outlined in section 4.2 above. Prior to admission each applicant must submit to a certification of all sources of income; provided that at conversion current households are not subject to this provision. The Agent utilizing a "third party" certification procedure will complete this certification. An applicant whose income meets the criteria outlined in Section 4.2 shall be income-eligible.

C. Who are suitable for housing by meeting the screening criteria listed in section 4.6 below.

D. All RAD PBV Units are LIHTC Units and are subject to the eligibility requirements for LIHTC Units set forth below.

Eligibility for LIHTC Units:

A. Income. Applicants must meet the income limits of Tax Credit and Other Requirements. Prior to admission each applicant must submit to a certification of all sources of income. The Agent utilizing a “third party” certification procedure will complete this certification. No applicants will be admitted whose family income exceeds 60% of the area median income as published annually by HUD. Applicant must have enough income to satisfy Agent of an ability to pay the tax credit rental amount, unless they have a Housing Choice Voucher or the applicant is applying for a RAD PBV Unit.

B. Students. Applicants whose household, in its entirety, consists of Full-Time Students and meets one of the exemptions below shall meet this eligibility requirement. For the purposes of Tax Credit and Other Requirements, a Full-Time Student is one who attends, or plans to attend during the next twelve months, an educational organization which normally maintains a regular facility and curriculum for a minimum of five months per calendar year and is considered a full-time student by the institution.

Exemptions for units regulated under Section 42 of the Internal Revenue Code are as follows:

- 1) Any one of the students filing a joint federal income tax return. A copy of the joint federal tax return must be included in the applicant’s file;
- 2) A household consisting of a single parent (with custody) and a school age child or children, both of whom are not dependents of a third party;
- 3) A household receiving assistance under Title IV of the Social Security Act;
- 4) A household receiving Temporary Assistance for Needy Families (TANF); or
- 5) A member of the household enrolled in and receiving assistance under the Job Training Partnership Act or similar governmental job training program.

C. Suitability. Who are suitable for housing by meeting the screening criteria listed in section 4.6 below.

Eligibility for Market Units (if applicable):

- A. Income. Applicant must have enough income to satisfy Agent of an ability to pay the unrestricted rental amount.
- B. Suitability. Who are suitable for housing by meeting the screening criteria listed in section 4.6 below.

4.4 Applications

- A. An Application for Admission, as defined in Section 2.3, is required for a person to be considered for admission. Applications for Admission will be accepted between the hours of 9:00 a.m. and 5:00 p.m. on Monday through Friday, except designated holidays, at an address to be designated at the time of the commencement of construction of the project.
- B. The location, facilities and circumstances for accepting applications will afford persons the greatest opportunity to apply.
- C. Every six months the Agent will attempt contact with each person on the waiting list to determine if they are still in need of housing.
- D. The date and time the application is received will be noted on the application form when received by the Agent. All information submitted in the application is subject to verification. Each adult member of the family must sign the completed application.
- E. The Agent will keep a copy of each resident's application for admission in the resident's file. Any other occupancy information the Agent collects must be retained for at least three (3) years or in accordance with Federal Regulations. This will include data on current applicants and residents, and applications from families who were never admitted.

4.5 Record of Applications / Waiting List

For the RAD PBV units, the Agent will first obtain applicants from the CHA HOP list. Once the HOP list is exhausted, applicants will be drawn from the CHA general housing or site-based waiting list made available to Agent. The Agent will maintain a separate site-based waiting list for applicants for LIHTC (non-RAD) Units and, with CHA approval, the Agent will maintain a separate site-based waiting list for applicants for RAD PBV Units, in each case subject to the following requirements:

- A. The applicant's name will be placed on the waiting list in order of the date and time the application is received by the Agent. The Agent will indicate on the waiting list the following about each applicant's family:
1. Name, address, and phone number of head of household.
 2. Required number of bedrooms.
 3. Race / ethnicity;
 4. Determination of eligibility or ineligibility for selection and screening;
 5. Preference determination;
 6. Date assigned to dwelling unit and identification of unit to which assigned, or date and unit offered and rejected with reason for the rejection noted; and
 7. Reason for removing applicant from consideration for housing; i.e., upon applicant's request, failure to communicate continued interest, or applicant no longer qualifies.
- B. Consistent with the objectives of Title VI of the Civil Rights Act of 1964, the HAP Contract and RAD Use Agreement, HUD regulations and policies, offers to the applicants on the waiting list for appropriate sized units will be made after preferences are applied.

4.6 Screening, Verification, Selection of Applicants and Resident Assignment

A. Screening

1. Eligible applicants for RAD PBV units shall be screened by the Agent utilizing the screening criteria listed below. Those who meet the screening criteria and are not targeted for deferral will be considered suitable for housing.
2. Eligible applicants for LIHTC units shall be screened by the Agent utilizing the screening criteria listed below. Those who meet the screening criteria will be considered suitable for housing. Those applicants failing to meet the screening criteria will be rejected.
3. Eligible applicants for Market Units (if applicable) shall be screened by the Agent utilizing items d-h of the screening criteria listed below. Those who meet the screening criteria will be considered

suitable for housing. Those applicants failing to meet the screening criteria will be rejected.

4. Screening Criteria: The screening and rejection criteria applies to all individuals listed as head of household, spouse and all adult members of the applicants household (i.e. 18 years of age or older) who are expected or proposed to reside in the unit. An applicant household and/or any additional household member who is proposed to reside in the unit will be refused occupancy for one or more of the following reasons:

- a) The household annual income exceeds the applicable Tax Credit and Other Requirements Income Limits.
- b) All members of the household are Full-Time Students and no one qualifies for an eligibility exemption.
- c) The household's monthly income is less than 2.5 times the monthly rent unless the applicant has a Housing Choice Voucher or receives Public Housing assistance.
- d) Poor credit history, which is indicated by:
 - 1) Any credit rating reflecting a payment history, during the previous five (5) years of four (4) instances of over ninety (90) days or more past due. Accounts that have been charged off during the previous five (5) years will be considered over ninety (90) days past due. Medical bills, student loans, telephone bills, cable bills, and any retail credit card accounts for one thousand dollars (\$1000.00) or less will NOT be considered in this determination.
 - 2) Any applicant, spouse or co-head of household who has filed for bankruptcy within the last three (3) years.
- e) Poor landlord reference, which would be, indicated when a previous landlord shows the applicant to be:
 - 1) Continually late in payment of rent.
or
 - 2) A source of conflict with management and/or other residents documented by written notices from the landlord to the applicant.

- or
 - 3) Destructive to the apartment and/or public areas.
 - or
 - 4) In violation of lease agreements.
- f) Poor housekeeping which would be indicated when one or more of the following observations are made during a housekeeping visit:
 - 1) Habits that are detrimental to the property or other residents, such as poor care of appliances, plumbing fixtures, etc.
 - 2) Poor housekeeping habits that could lead to an unhealthy environment for the applicant and other residents including: food left open or out; dirty dishes left unattended; dirty floors and/or fixtures; excessive dirt and/or grease on stove; mold and/or mildew build up in kitchen or bathroom; excessive dirt on floors, walls, ceilings, cabinets or doors; excessive clothing or belongings strewn about in an unorganized fashion.
 - 3) Evidence of negligent dependent care.
 - 4) Physical abuse of facilities.
 - 5) Any evidence of conduct that can be detrimental to the property including the creation of any type of fire hazard or any conduct that could lead to insect or rodent infestation.
- g) Adverse police record, which would be indicated by the following occurring within the past three (3) years:
 - 1) Any drug-related conviction.
 - 2) Any arrest for assault and/or battery pending resolution or any conviction for assault and/or battery.
 - 3) Any felony arrest pending resolution or any felony conviction involving physical violence to persons or crimes against property that adversely affects the health, safety or welfare of other persons or the misdemeanors of aggravated assault, unlawful use

of a weapon, battery or criminal damage to property.

- h) Any indication that the applicant:
 - 1) cannot adequately control their dependents, including review of school attendance records of minors in the household, so as to adversely affect the property and/or other residents;
 - 2) or any household member would be a threat to the safety and well being of the property and/or other residents;
 - 3) will be unable to comply with the terms of the lease agreement.
 - 4) cannot adequately sustain decent levels of habitability.
- i) Each applicant for RAD PBV units will qualify for occupancy only if all household members meet the property specific Employment and Self-Sufficiency requirements described in Section 2.44.

Each rejected applicant will be notified in writing of the reason(s) for rejection. This notice will advise the applicant that he/she may within fourteen (14) calendar days of the receipt of the notice, request in writing a meeting to discuss the reason for rejection and any mitigating circumstances for their rejection.

The Agent shall meet with all rejected applicants for non-RAD PBV units, who request a meeting, and shall make a final decision on the suitability of the applicant based on the facts of the meeting.

- 6. The Agent shall not deny admissions to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence or stalking, if the applicant otherwise qualifies for assistance or admissions, and nothing in this section shall be construed to supercede any provisions of Federal, state or local law that provide greater protection for victims of domestic violence, dating violence or stalking.

B. Verification

In conjunction with the application process, the Agent shall require whatever documentation is needed to verify information the applicant has

provided. The applicant (and other family members as the Agent designates) are required to execute a release and consent form(s) authorizing any person, firm, or association, including any federal, state or local agency to furnish or release to the Agent such information as the Agent determines to be necessary. Verification of eligibility, suitability and preferences, along with any other information, is to be accomplished by thorough evaluation from information submitted by the applicant or received from third parties, including:

1. Verification of age of family members when the sole factor determining eligibility is age, or to support exemptions claimed for minors;
2. Pregnancy when it is the sole basis for determining eligibility;
3. Full-time student status;
4. Social Security numbers for all members of the household six (6) years of age and older if they have been issued a number. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her Social Security number may be used for verification:

A driver's license, identification card issued by a Federal, State or local agency, identification card issued by a medical insurance company or provider (including Medicare and Medicaid), earnings statements or payroll stubs, bank statements, IRS Form 1099, benefit award letters from government agencies, retirement benefit letter, life insurance policies, and verification of benefits or Social Security Number from Social Security Administration;

5. Disability, handicap, veteran, or serviceman status when they are a factor in determining eligibility. For persons who claim disability but are not recipients of benefits under Section 223 of the Social Security Act or Section 102(b)5 of the Developmental Disabilities Services and Facilities Construction Amendment of 1970, a doctor's or other appropriate professional healthcare person's certification as to the degree and possible length of such disability shall be required. The receipt of veteran's benefits for disability, either service incurred or otherwise, does not automatically establish eligibility for disability;

6. Eligible immigration status.

C. Selection; Preferences

In selecting residents from among eligible applicants who meet the screening criteria, first consideration shall be given to matching the size and type unit offered to the family's need. Second consideration shall be given to ensure the applicant's income falls within the target mix of income for the vacant unit as outlined in section 4.2 of this Plan. Applicants who are determined to be eligible and suitable for housing shall be selected by order of the time and date their application was received by the Agent, subject to the following preference. The Agent will have a preference for seniors, with respect to the 53 non-Project-Based Voucher Housing Units, and to 23 of the Project-Based Voucher Housing Units. For the non-Project-Based Voucher Housing Units, "senior" will be determined with respect to age 55 and above.

4.7 Transfers

The Agent shall maintain a centralized list of families (by number of bedrooms) that request to be or need to be transferred. The family name shall be placed on this list on the day the Agent becomes aware of a family composition change or receipt of an approved transfer request from the family Head of Household or other adult family member. Transfers will be made without regard to race, color, creed, national origin, religion, age, sex, handicap, or familial status.

Transfers may be approved at the discretion of the Agent, or his/her designee, for the following reasons:

A. Under Housed

If, upon re-examination, it is found that the size or composition of a family or household has changed so that the unit occupied by the family contains a number of rooms less than necessary to provide decent, safe and sanitary accommodations, and allow separate sleeping accommodations for children and parents, in accordance with federal regulations and Chicago Housing Authority ("CHA") policies, management shall, if possible, reassign or transfer residents to another appropriately-sized RAD PBV unit in another housing project (if available).

B. Over Housed –[Intentionally Deleted, Not Applicable]

C. Medical

A resident may be transferred upon request for medical reasons when a transfer to another unit would eliminate or decrease the advancement of a medical condition or is required in order to be closer to available and necessary medical treatment. A doctor's statement verifying the need for such transfer shall be required, in accordance with Section 504 regulations.

D. Emergency

An adult family member may be transferred upon request if an abusive situation exists within the household (i.e. battered spouse) that required a resident to need emergency housing elsewhere. Transfer may be made only after proper verification and/or investigation. Children may accompany the custodial parent.

E. Natural Disaster

A resident family may be transferred because of a natural disaster (i.e. tornado, fire, flood), which makes the existing unit uninhabitable.

F. Section 504 Compliance

Any resident who has special needs requiring a handicapped accessible unit may be transferred upon request.

G. Safety / Security

When the safety and well being of a resident is in immediate jeopardy of physical and/or emotional harm, a resident member or family may be transferred upon request after proper verification and/or investigation.

H. Other - For Good Cause

Situations may arise which are not included in items A-G whereby in the judgment of the Agent and/or designee determine that it is in the best interest of a resident and/or the development or other residents of the community that a transfer be approved. For example: Continual resident conflict that undermines peaceful community living. The transfer may be to a RAD PBV unit in another housing project, or the tenant may be offered a voucher.

PRIORITY

Families under housed shall be given preference over families over housed in the transfer process. Families needing special consideration because of handicap,

disability, medical conditions or emergency cases shall be accommodated before over housed families whenever possible. Normally, transfers for hardship reasons, or to correct over/under housing, shall have priority over new applicants.

GENERAL TRANSFER REQUIREMENTS

- A. Families, who are requesting permission to transfer shall be in “Good Standing” under the terms of their lease and leave the premises in a condition satisfactory to management.
- B. Resident initiated requests during the first twelve (12) months of tenancy will be for emergency situations only and will require the approval of the Agent and/or designee.
- C. The number of units offered to a family transferring will be one.

TRANSFER PROCEDURE:

- A. Each person who desires to transfer shall submit an Application for Transfer to the Site Manager. It will be the responsibility of the Site Manager to verify the reason for and initially approve such transfer. The Application of each person shall be dated and time stamped when submitted, and if approved, shall be placed on a Transfer Waiting List within each category of each unit size for which the Family is eligible.
- B. Persons who apply for transfer under this plan shall not be required to re-establish their eligibility for housing, but shall be required to provide information on their Transfer Application to include name, address, number of persons in family, the sex and age of each family member and reasons for the transfer request along with any supporting documentation deemed necessary by Agent.

4.8 Income Limits

The income limits used by this Agent for admission to its sites are established by HUD and usually change on an annual basis. In no case will an applicant be admitted to a LIHTC unit if the applicant family’s income exceeds the LIHTC income limits. The Agent will establish minimum income limits for LIHTC and Market units (if applicable) as the market may dictate.

4.9 Resident Rent Charges

Residents of the Project-Based Voucher Housing Units are to be charged Resident Rent in accordance with the HAP Contract and RAD Use Agreement. Residents

of LIHTC units will be charged a rent established by the Agent but in no case shall the LIHTC rent exceed the maximum rent allowable under Tax Credit and Other Requirements. If applicable, market rents will be established by the Agent at any level the market may bear.

4.10 Other Charges

The resident will be charged for special goods and services and for the cost of all repairs and damages caused by carelessness, misuse, or neglect on the part of the resident or guest. Such charges will be for the actual cost of the materials and labor required. A list of standard charges shall be posted in the rental office.

4.11 Occupancy Standards

To avoid overcrowding and prevent wasted space, units are to be leased in accordance with the occupancy standards set forth below.

- A. There will be a maximum of two residents in each unit.
- B. Living rooms will not regularly be used as a bedroom.
- C. Unborn children will be counted in determining unit size.
- D. The CHA will count a child who is temporarily away from the home attending school, so long as the family can document that child will be living with the family during the summer and vacation months.

For a RAD PBV Unit, when it is found that the size of the dwelling is no longer suitable for the family in accordance with these standards, the family will be required to transfer to a RAD PBV Unit in another housing project or be offered a Housing Choice Voucher.

4.12 Dwelling Lease

The Agent shall prepare a lease for the Tax Credit and RAD PBV Units, and a lease for the Market Units (if applicable).

4.13 Misrepresentation on Application for Admission

If misrepresentations on Application for Admission result in housing an ineligible or unsuitable family, the family may be required to vacate, even though currently eligible. If misrepresentation or failure to provide facts have resulted in payment of a lower total resident payment than should have been paid, the family will be required to pay the difference between the total resident payment paid and the amount that should have been paid. In justifiable cases, the Agent may take such other action as deemed reasonable.

5.0 CONTINUED OCCUPANCY

5.1 Re-Examination of Resident Eligibility and Rental Adjustments

- A. As required by law, the Agent will annually re-examine the status of each RAD PBV and LIHTC resident family relating to eligibility for continued occupancy, the rent charged, and the size of the apartment required. Residents will be contacted for re-examination approximately 90 days before the anniversary date established by the occupancy date of their lease to begin the re-examination process. Re-examination should be completed before the anniversary date of their lease. As a condition to continued occupancy, each resident must continue to meet the Employment and Self Sufficiency requirements described in Section 2.44.
- B. The Agent will annually notify residents:
 - 1. whether the family meets the requirements of eligibility for continued occupancy;
 - 2. the rent to be charged; and
 - 3. the size of the unit required.
- C. Residents, who, at the time of application for continued occupancy, are deemed ineligible by failure to meet the continued occupancy requirements shall be notified in writing of such ineligibility, the reason therefore. RAD PBV Housing residents shall be advised of their rights, if any, to a grievance procedure.
- D. Rents will be reviewed at the time of the annual re-examination and, if appropriate, be changed to conform to the approved rent.
- E. The family must report changes in income within ten (10) days of such change. The family must also report changes in the household composition. Once total resident payment is established, such payment rate shall remain in effect until the next annual re-examination, special re-examination, or an interim rent adjustment for a change in family income or family composition. Decreases in family income should be reported so that rent may be adjusted accordingly.

Increases in family income must be reported which would raise the total resident payment.
- F. Increases in rent resulting from rent reviews are effective the first of the second month following the notice of the change.

- G. Decreases in rent are effective the first of the month following the reported change.
- H. If, upon re-examination, it is found that the size or composition of a family or household has changed so that the apartment occupied by the family contains a number of rooms less or greater than necessary to provide decent, safe, and sanitary accommodations as described in the occupancy standards in Part V, management shall give notice of at least thirty (30) days to the resident that the resident may be required to move to another unit.

5.2 Misrepresentation at Annual Re-Examination

If the re-examination discloses that the family at time of admission, or at any previous re-examination, made misrepresentations that resulted in the family's being classified as eligible, when in fact ineligible, the family may be required to vacate even though currently eligible. Furthermore, if at the time of re-examination it is found that the misrepresentations or failure to provide facts resulted in a lower rent being charged, the family will be required to pay the difference between the rent paid and the amount that should have been paid. In justifiable cases, the Agent may take such other action as deemed reasonable. If the Agent is unable to complete the annual re-examination because of the fault of the family, the effective date of any change will be the re-examination anniversary date.

If, by no fault of the family, the Agent is unable to complete its annual re-examination, the effective date of any increase in total resident payment will be the first of the second month following completion of re-examination; the effective date of any decrease in total resident payment will remain the re-examination anniversary date, and the family will be given the appropriate total resident payment credits for overpayment.

5.3 Collections

A. Resident Rent Charges

Rent is due and payable in advance without notice, at the office of the Agent on the first day of each month. If not received by close of business on the 5th day of the month, and the resident has not contacted the Agent, the Agent will mail or deliver a notice of delinquent rent to the resident's address. Such notice will remind the resident of the lease obligation and will designate a deadline, not to exceed fourteen (14) days from the date of the notice, by which the resident is to contact the Agent office and make arrangements for payment. All terminations shall be processed in accordance with the requirements of the lease, state law, and federal regulations.

B. Other Charges

Charges other than rent, such as utility charge and resident-caused damages, shall become due and collectible the first day of the month following the month during which the charge is incurred.

5.4 Inspections

- A. The dwelling unit and premises shall be inspected jointly (when possible) by the applicant or resident and Agent upon move-in. Both parties will agree on the condition of the unit by signing an inspection check sheet. The original check sheet will be kept by the Agent, and a copy will be given to the resident.
- B. The inspection will serve as a guide in the determination of needed maintenance or repairs and to assess damage over and above normal wear and tear. Failure to maintain a safe, decent, and sanitary dwelling unit and premises may result in lease termination.
- C. Inspections shall be made:
 - 1. At move-in, prior to occupancy;
 - 2. Twice per year (which shall include an inspection for purposes of obtaining a real estate tax abatement (if available) for all or a portion of the RAD PBV Units);
 - 3. As required to comply with CHA Housing Requirements.
 - 4. Follow-up inspections will be scheduled within fifteen (15) days if housekeeping practices or other circumstances require. Appropriate notice to the resident shall be given prior to any inspection which shall be in accordance with the lease; and
 - 5. At move out. Inspections should be done with resident, unless the resident has previously vacated the unit and is unavailable. In the latter case, the Agent will conduct an independent inspection.

5.5 No Smoking

The project has been designated a smoke-free living environment. Resident and members of resident's household shall not smoke anywhere in the unit rented by resident, or in the common areas of the building where the resident's dwelling is located, including but not limited to the lobby, reception areas, vestibule, hallways, elevators, stairwells, community rooms, bathrooms, laundry rooms, and offices. Additionally, no smoking is permitted within 25 feet of the building's entry ways, porches and patios. This policy applies to all residents, guests, visitors, service personnel and employees. Residents are responsible for the actions of their household, their guests and visitors. Any violation of this **No Smoking Policy** will constitute both non-compliance of a material provision of

the lease agreement and a serious violation of the lease agreement. In addition, the resident will be responsible for all costs to remove smoke odor or residue upon any violation of this **No Smoking Policy**.

6.0 SECURITY DEPOSITS

Each family is required to pay a security deposit in an amount determined by the Agent. RAD PBV Residents shall be required to pay an amount equal to total tenant payment with a minimum of \$75 and a maximum of the amount determined applicable to RAD PBV Residents. LIHTC and Market (if any) Residents are required to pay an amount equal to one-month rent. Payments must be made prior to occupancy. The security deposit will be returned to the resident within thirty (30) days after move-out in accordance with Section 5-12-080 (d) of the Residential Landlord and Tenant Ordinance where:

- A. there is no unpaid rent and charges for which the resident is liable under the lease or as a result of breaching the lease; and
- B. there is no breakage or damage beyond that expected from normal wear and tear.

The security deposit may not be used to pay charges during occupancy.

The amount of security deposit required is specified in the approved dwelling lease.

7.0 COMPLAINTS OF DISCRIMINATION

A Fair Housing and Equal Opportunity poster, containing information on filing complaints with HUD by those persons believing themselves to be subjects of discrimination, will be posted conspicuously in complex offices for public information and inspection.

8.0 EVICTIONS

A family's serious or repeated violations of the material provisions of the tenant's lease shall cause the Agent to begin eviction proceedings in accordance with state law. Violations of the Lease may include, but are not limited to, criminal activity, non-payment of rent, failure to provide Agent with required information for recertification, fraud regarding income and family composition, failure to maintain unit and surrounding area in a safe and sanitary condition, destruction of Agent property, violation of pet policy, or any serious or repeated violations of the terms of the Lease.

A family may be evicted if:

- A. any tenant or member of the tenant's household engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents; or for any drug-related criminal activity on or off the premises; or
- B. any guest engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents; or for any drug related criminal activity on or near the premises; and "guest" shall mean (i) a relative or friend of the tenant or any household member who is in the unit with the consent of the tenant or household member, or attending a social event held by the tenant or household member in the unit; (ii) any person accompanying the relative or friend described in clause (i); or (iii) anyone staying overnight in the unit with the permission or knowledge of the tenant or any household member.
- C. any person under the tenant's control engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents; or for any drug related criminal activity on the premises; or
- D. any member of the tenant's household engages in an abuse or pattern of abuse of alcohol that affects the health, safety, or right to peaceful enjoyment of the premises by other residents.

Residents of RAD PBV Units are entitled to utilize provisions of the Agent's Grievance Procedure to attempt settlement of disputes with the Agent. Upon notice of termination, a resident has ten (10) days to request an informal discussion of the grievance in accordance with the Grievance Procedures, which, if requested, stays the filing of the eviction until the grievance process is completed. If the resident is not satisfied with the response, the resident may, within 7 days, request a formal hearing. Failure to follow this process will result in the resident waiving their rights to a grievance hearing.

In the event an applicant is rejected for admission because of security or safety concerns, or because of criminal history, the Agent may consider admitting the applicant based on mitigating factors which indicate a reasonable probability of future favorable conduct, compliance with the obligations of tenancy, the likely impact on the project and the danger to the health and safety of residents and staff. No consideration will be given to households if any member of the household is subject to lifetime registration as a sex offender, or was convicted for the manufacture or production of methamphetamine on the premises of federally assisted housing. Examples of mitigating factors include: (i) the incident occurred 15 years (or more) prior to date of application, (ii) evidence of the applicants participation in social service or other appropriate counseling services programs

and the availability of such programs, (iii) the applicant can provide evidence of rehabilitation, such as current involvement in counseling or the HOPE VI Community and Supportive Services Program, if available, Alcoholics Anonymous, Narcotic Anonymous, successful completion of treatment, compliance with or successful completion of conditions of parole or probation, or (iv) the circumstances leading to the eviction no longer exist (e.g., the criminal household member has died or is imprisoned.

9.0 CONFLICT WITH FEDERAL STATUTE, REGULATION, OR HUD POLICY

This policy is to be interpreted in accordance with federal statutes and regulations and in compliance with HUD policy; and any conflict between this Policy and federal statutes, the CHA Housing Requirements, Tax Credit and Other Requirements, regulations, or HUD Handbook provisions will be resolved in favor of federal law, orders, and policy, or in accordance with existing law regarding the modification of consent decrees, as applicable.

APPENDIX “A”

The following is a list of types of benefits that qualify for exclusion according to Section 2.2.C.12:

1. Relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. / 4636);
2. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 (U.S.C. 2017 [b]);
3. Payment to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044 [g], 5058);
4. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626 [a]);
5. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459 [e]);
6. Payments or allowances made under the Department of Health and Human Services Low-Income Home Energy Assistance Program (42 U.S.C. 6624 [f]);
7. Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552 [b]);
8. Income derived from deposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-250);
9. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of the Interior (25 U.S.C. 117);
10. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal Work-Study Program, or scholarships funded under the Bureau of Indian Affairs student assistance programs, that are made available to cover the cost of tuition, fees, books, equipment, material, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution (20 U.S.C. 1087uu);
11. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 [f]);
12. Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the IN RE Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.); and
13. Lump-sum payments received from Social Security or Supplemental Security Income (SSI) for delay of benefits.
14. Reparation payments made by foreign governments in connection with the Holocaust (for initial determinations and re-examinations carried out on or after April 23, 1993).

15. Payments received under the Maine Indian Claim Settlement Act of 1980. (Pub. L. 96-420, 94 Stat. 1785).
16. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
17. Earned Income Tax Credit Refunds received on or after January 1, 1991 (HUD Notice PIH 91-10).

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MODEL LEASE FOR SUBSIDIZED PROGRAMS**1. Parties and Dwelling Unit:**

The parties to this Agreement are 5525 W Diversey Manor Apartments, LLC, referred to as the Landlord, and _____, referred to as the Tenant. The Landlord leases to the Tenant unit number _____, located at _____ in the project known as Diversey Manor Apartments

2. Length of Time (Term):

The initial term of this Agreement shall begin on _____ and end on _____. After the initial term ends, the Agreement will continue for successive terms of one «successiveleaseterm» each unless automatically terminated as permitted by paragraph 23 of this Agreement.

3. Rent:

The Tenant agrees to pay \$ _____ for the partial month ending on _____. After that, Tenant agrees to pay a rent of \$ _____ per month. This amount is due on the first day of the month at _____. The Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. This lower rent is available either because the mortgage on this project is subsidized by the Department of Housing and Urban Development (HUD) and/or because HUD makes monthly payments to the Landlord on behalf of the Tenant. The amount, if any, that HUD makes available monthly on behalf of the Tenant is called the tenant assistance payment and is shown on the "Assistance Payment" line of the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures form which is Attachment No. 1 to this Agreement.

4. Changes in the Tenant's Share of the Rent:

The Tenant agrees that the amount of rent the Tenant pays and/or the amount of assistance that HUD pays on behalf of the Tenant may be changed during the term of this Agreement if:

- a. HUD or the Contract Administrator (such as a Public Housing Agency) determines, in accordance with HUD procedures, that an increase in rents is needed;
- b. HUD or the Contract Administrator changes any allowance for utilities or services considered in computing the Tenant's share of the rent;
- c. the income, the number of persons in the Tenant's household or other factors considered in calculating the Tenant's rent change and HUD procedures provide that the Tenant's rent or assistance payment be adjusted to reflect the change;
- d. changes in the Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures;
- e. HUD's procedures for computing the Tenant's assistance payment or rent change; or
- f. the Tenant fails to provide information on his/her income, family composition or other factors as required by the Landlord.

The Landlord agrees to implement changes in the Tenant's rent or tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbooks, instructions and regulations related to administration of multifamily subsidy programs. The Landlord agrees to give the Tenant at least 30 days advance written notice of any increase in the Tenant's rent except as noted in paragraphs 11, 15 or 17. The notice will state the new amount the Tenant is required to pay, the date the new amount is effective, and the reasons for the change in rent. The Notice will also advise the Tenant that he/she may meet with the Landlord to discuss the rent change.

5. Charges for Late Payments and Returned Checks:

If the Tenant does not pay the full amount of the rent shown in paragraph 3 by the end of the 5th day of the month, the Landlord may collect a fee of \$5 on the 6th day of the month. Thereafter, the Landlord may collect \$1 for each additional day the rent remains unpaid during the month it is due. The Landlord may not terminate this Agreement for failure to pay late charges, but may terminate this Agreement for non-payment of rent, as explained in paragraph 23. The Landlord may collect a fee of \$«leasffee» on the second or any additional time a check is not honored for payment (bounces). The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Tenant.

6. Condition of Dwelling Unit:

By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that all appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report which is



Attachment No. 2 to this Agreement. The Tenant also agrees that the Landlord has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.

7. Charges for Utilities and Services:

The following charts describe how the cost of utilities and services related to occupancy of the unit will be paid. The Tenant agrees that these charts accurately describe the utilities and services paid by the Landlord and those paid by the Tenant.

- a. The Tenant must pay for the utilities in column (1). Payments should be made directly to the appropriate utility company. The items in column (2) are included in the Tenant's rent.

(1)	Type of Utility	(2)
Put X by any Utility Tenant pays directly		Put X by any Utility Included in Tenant Rent
_____	Heat	_____
_____	Lights, Electric	_____
_____	Cooking	_____
_____	Water	_____
	Other (Specify)	_____

- b. The Tenant agrees to pay the Landlord the amount shown in column (3) on the date the rent is due. The Landlord certifies that HUD had authorized him/her to collect the type of charges shown in column (3) and that the amounts shown in column (3) do not exceed the amounts authorized by HUD.

	(3)
	Show \$ Amount Tenant Pays to Landlord in addition to Rent
Parking	\$ _____
Other (Specify)	\$ _____

8. Security Deposits:

The Tenant has deposited \$ _____ with the Landlord. _____

The Landlord will hold this security deposit for the period the Tenant occupies the unit. After the Tenant has moved from the unit, the Landlord will determine whether the Tenant is eligible for a refund of any or all of the security deposit. The amount of the refund will be determined in accordance with the following conditions and procedures.

- The Tenant will be eligible for a refund of the security deposit only if the Tenant provided the Landlord with the 30-day written notice of intent to move required by paragraph 23, unless the Tenant was unable to give the notice for reasons beyond his/her control.
- After the Tenant has moved from the unit, the Landlord will inspect the unit and complete another Unit Inspection Report. The Landlord will permit the Tenant to participate in the inspection, if the Tenant so requests.
- The Landlord will refund to the Tenant the amount of the security deposit plus interest computed at «interestpaidondeposit»%, beginning «residentmoveindate», less any amount needed to pay the cost of:

(1) unpaid rent;



- (2) damages that are not due to normal wear and tear and are not listed on the Unit Inspection Report;
- (3) charges for late payment of rent and returned checks, as described in paragraph 5; and
- (4) charges for unreturned keys, as described in paragraph 9.

d. The Landlord agrees to refund the amount computed in paragraph 8c within «daysfrommoveouttofinalaccountstatement» days after the Tenant has permanently moved out of the unit, returned possession of the unit to the Landlord, and given his/her new address to the Landlord. The Landlord will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Landlord concerning the amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with the Tenant and informally discuss the disputed charges.

e. If the unit is rented by more than one person, the Tenants agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant identified in Paragraph 1 of this Agreement.

f. The Tenant understands that the Landlord will not count the Security Deposit towards the last month's rent or towards repair charges owed by the Tenant in accordance with paragraph 11.

9. Keys and Locks:

The Tenant agrees not to install additional or different locks or gates on any doors or windows of the unit without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant \$«keycharge» for each key not returned.

10. Maintenance:

a. The Landlord agrees to:

- (1) regularly clean all common areas of the project;
- (2) maintain the common areas and facilities in a safe condition;
- (3) arrange for collection and removal of trash and garbage;
- (4) maintain all equipment and appliances in safe and working order;
- (5) make necessary repairs with reasonable promptness;
- (6) maintain exterior lighting in good working order;
- (7) provide extermination services, as necessary; and
- (8) maintain grounds and shrubs.

b. The Tenant agrees to:

- (1) keep the unit clean;
- (2) use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
- (3) not litter the grounds or common areas of the project;
- (4) not destroy, deface, damage or remove any part of the unit, common areas, or project grounds;
- (5) give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities; and
- (6) remove garbage and other waste from the unit in a clean and safe manner.

11. Damages:

Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family or visitors, the Tenant agrees to pay:



- a. the cost of all repairs and do so within 30 days after receipt of the Landlord's demand for the repairs charges; and
- b. rent for the period the unit is damaged whether or not the unit is habitable. The Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, the Tenant agrees to pay the HUD-approved market rent rather than the Tenant rent shown in paragraph 3 of this agreement.

12. Restrictions on Alterations:

No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the Landlord in writing. The Landlord agrees to provide reasonable accommodation to an otherwise eligible tenant's disability, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the tenant to make and pay for the modification in accordance with the Fair Housing Act.

13. General Restrictions:

The Tenant must live in the unit and the unit must be the Tenant's only place of residence. The Tenant shall use the premises only as a private dwelling for himself/herself and the individuals listed on the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, Attachment 1. The Tenant agrees to permit other individuals to reside in the unit only after obtaining the prior written approval of the Landlord. The Tenant agrees not to:

- a. sublet or assign the unit, or any part of the unit;
- b. use the unit for unlawful purposes;
- c. engage in or permit unlawful activities in the unit, in the common areas or on the project grounds;
- d. have pets or animals of any kind in the unit without the prior written permission of the Landlord, but the Landlord will allow the tenant to keep an animal needed as a reasonable accommodation to the tenant's disability, and will allow animals to accompany visitors with disabilities who need such animals as an accommodation to their disabilities; or
- e. make or permit noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of any radio, phonograph, television or musical instrument at a level which will not disturb the neighbors.

14. Rules:

The Tenant agrees to obey the House Rules which are Attachment No. 3 to this Agreement. The Tenant agrees to obey additional rules established after the effective date of this Agreement if;

- a. the rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the Tenants; and
- b. the Tenant receives written notice of the proposed rule at least 30 days before the rule is enforced.

15. Regularly Scheduled Recertifications:

Every year around the first day of «days120beforenextannualrecertmonth», the Landlord will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by HUD for the purposes of determining the Tenant's rent and assistance payment, if any. The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the Landlord's request. The Landlord will verify the information supplied by the Tenant and use the verified information to recompute the amount of the Tenant's rent and assistance payment, if any.

a. If the Tenant does not submit the required recertification information by the date specified in the Landlord's request, the Landlord may impose the following penalties. The Landlord may implement these penalties only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of multifamily subsidy programs.

- (1) Require the Tenant to pay the higher, HUD-approved market rent for the unit.
- (2) Implement any increase in rent resulting from the recertification processing without providing the 30-day notice otherwise required by paragraph 4 of this Agreement.



b. The Tenant may request to meet with the Landlord to discuss any change in rent or assistance payment resulting from the recertification processing. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and discuss how the Tenant's rent and assistance payment, if any, were computed.

16. Reporting Changes Between Regularly Scheduled Recertifications:

a. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately.

(1) Any household member moves out of the unit.

(2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.

(3) The household's income cumulatively increases by \$200 or more a month.

b. The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in other factors will last less than one month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income will be partially or fully restored within two months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and the Landlord may not evict the Tenant for nonpayment of rent due during the period of the reported decrease and the completion of the certification process. The Tenant has thirty days after receiving written notice of any rent due for the above described time period to pay or the Landlord can evict for nonpayment of rent. (Revised 03/22/89)

c. If the Tenant does not advise the Landlord of these interim changes, the Landlord may increase the Tenant's rent to the HUD - approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy programs.

d. The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

17. Removal of Subsidy:

a. The Tenant understands that assistance made available on his/her behalf may be terminated if events in either items 1 or 2 below occur. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.

(1) The Tenant does not provide the Landlord with the information or reports required by paragraph 15 or 16 within 10 calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.

(2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment 1.

b. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that, during the ten calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.

c. Termination of assistance shall not affect the Tenant's other rights under this Agreement, including the right to occupy the unit. Assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Landlord determines the Tenant is eligible for assistance, and assistance is available.

18. Tenant Obligation to Repay:

If the tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by paragraph 16 of this Agreement, and as a result, is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she should have paid and the rent he/she was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Landlord's failure to follow HUD's procedures for computing rent or assistance payments.

19. Size of Dwelling:



The Tenant understands that HUD requires the Landlord to assign units in accordance with the Landlord's written occupancy standards. These standards include consideration of unit size, relationship of family members, age and sex of family members and family preference. If the Tenant is or becomes eligible for a different size unit, and the required size unit becomes available, the Tenant agrees to:

- a. move within 30 days after the Landlord notifies him/her that a unit of the required size is available within the project; or
- b. be transferred to another property with same project type program and required unit size, if available.

20. Access by Landlord:

- a. The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit, and to enter the unit only after receiving the Tenant's consent to do so, except when urgency situations make such notices impossible or except under paragraph (c) below.
- b. The Tenant consents in advance to the following entries into the unit:
 - (i) The tenant agrees to permit the Landlord, his/her agents or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections.
 - (ii) After the Tenant has given a notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective tenants during reasonable hours.
- c. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.

21. Discrimination Prohibited:

The Landlord agrees not to discriminate based upon race, color, religion, creed, National origin, sex, age, familial status and disability.

22. Change in Rental Agreement:

The Landlord may, with the prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of the change. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to the Landlord. The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 30 days before the proposed change will go into effect. If the Tenant does not accept the amended agreement, the Landlord may require the Tenant to move from the project, as provided in paragraph 23.

23. Termination of Tenancy:

- a. To terminate this Agreement, the Tenant must give the Landlord 30-days written notice before moving from the unit.
- b. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, State and local law, and the terms of this Agreement.
- c. The Landlord may terminate this Agreement only for the following reasons:
 - 1. the Tenant's material noncompliance with the terms of this Agreement;
 - 2. the Tenant's material failure to carry out obligations under any State Landlord and Tenant Act;
 - 3. drug related criminal activity engaged in or on or near the premises, by any tenant, household member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control;
 - 4. determination made by the Landlord that a household member is illegally using a drug;
 - 5. determination made by the Landlord that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - 6. criminal activity by a tenant, any member of the tenant's household, a guest or another person under the tenant's control;



(a) that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or

(b) that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;

7. if the tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor;
8. if the tenant is violating a condition of probation or parole under Federal or State law;
9. determination made by the Landlord that household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
10. if the Landlord determines that the tenant, any member of the tenant's household, a guest or another person under the tenant's control has engaged in the criminal activity, regardless of whether the tenant, any member of the tenant's household, a guest or another person under the tenant's control has been arrested or convicted for such activity.

d. The Landlord may terminate this Agreement for other good cause, which includes, but is not limited to, the tenant's refusal to accept change to this agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.

The term material noncompliance with the lease includes:

(1) one or more substantial violations of the lease;

(2) repeated minor violations of the lease that: (a) disrupt the livability of the project, (b) adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, (c) interfere with the management of the project, or (d) have an adverse financial effect on the project;

(3) failure of the tenant to timely supply all required information on the income and composition, or eligibility factors, of the tenant household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies), and

(4) non-payment of rent or any other financial obligation due under the lease beyond any grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.

e. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice and the grounds for the proposed termination. If the Landlord is terminating this agreement for "other good cause", the termination notice must be mailed to the Tenant and hand-delivered to the dwelling unit in the manner required by HUD at least 30 days before the date the Tenant will be required to move from the unit and in accordance with the State law requirements. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law. Any HUD-required notice period may run concurrently with any notice period required by State or local law. All termination notices must:

- o specify the date this Agreement will be terminated;
- o state the grounds for termination with enough detail for the Tenant to prepare a defense;
- o advise the Tenant that he/she has 10 days within which to discuss the proposed termination of tenancy with the Landlord. The 10-day period will begin on the earlier of the date the notice was hand-delivered to the unit or the day after the date the notice is mailed. If the Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
- o advise the Tenant of his/her right to defend the action in court.

f. If an eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by paragraph (e).



24. Hazards:

The Tenant shall not undertake, or permit his/her family or guests to undertake, any hazardous acts or do anything that will increase the project's insurance premiums. Such action constitutes a material non-compliance. If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in and the damage is not caused or made worse by the Tenant, the Tenant will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.

25. Penalties for Submitting False Information:

Knowingly giving the Landlord false information regarding income or other factors considered in determining Tenant's eligibility and rent is a material noncompliance with the lease subject to termination of tenancy. In addition, the Tenant could become subject to penalties available under Federal law. Those penalties include fines up to \$10,000 and imprisonment for up to five years.

26. Contents of this Agreement:

This Agreement and its Attachments make up the entire agreement between the Landlord and the Tenant regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord and the Tenant will continue to be bound by them.

27. Attachments to the Agreement: The Tenant certifies that he/she has received a copy of this Agreement and the following Attachments to this Agreement and understands that these Attachments are part of this Agreement.

- a. Attachment No. 1 - Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, form HUD-50058.
- b. Attachment No. 2 - Unit Inspection Report.
- c. Attachment No. 3 - House Rules (if any).

28. Tenants' right to organize: Landlord agrees to allow tenant and tenant organizers to conduct on the property the activities related to the establishment or operation of a tenant organization set out in accordance with HUD requirements.

29. Tenant Income Verification: The Tenant must promptly provide the Landlord with any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income in accordance with HUD requirements.

30. The lease agreement will terminate automatically, if the Section 8 Housing Assistance contract terminates for any reason.

31. Signatures:

**TENANT
BY:**

1. _____	____/____/____ Date Signed
2. _____	____/____/____ Date Signed
3. _____	____/____/____ Date Signed

**LANDLORD
BY:**

1. _____	____/____/____ Date Signed
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Public reporting burden - HUD is not requesting approval of any burden hours for the model leases since use of leases are a standard business practice in the housing rental industry. This information is required to obtain benefits. The request and required supporting documentation are sent to HUD or the Contract Administrator (CA) for approval. The lease is a contract between the owner of the project and the tenant(s) that explains the terms for residing in the unit. Leases are a standard business practice in the housing rental industry. Owners are required to use the HUD model lease which includes terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the tenants.

This information is authorized by 24 CFR 5.360, 236.750, 880.606, 883.701, 884.215, 886.127, 891.425, 891.625 and 891.765 cover lease requirements and provisions. This information is considered non-sensitive and does not require any special protection.



Diversey Manor Apartments

HOUSE RULES

POLICIES AND REGULATIONS LEASE ADDENDUM

THE RULES AND POLICIES SET FORTH IN THIS LEASE ADDENDUM ARE FOR THE BENEFIT OF ALL RESIDENTS. FAILURE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE ADDENDUM SHALL BE A VIOLATION OF THE LEASE.

1. **ABUSIVE LANGUAGE.** Abusive language or foul language interferes with the rights of other Residents to the quiet enjoyment of the premises. Such language is not allowed in common areas or in other areas where people congregate.
2. **ACTION OF FAMILY MEMBERS AND GUESTS.** Residents are responsible for the actions of their family members and guests and shall reimburse management for any damage caused by family members or guests. Residents must provide proper supervision of visiting children. Residents whose guests continually create disturbances and nuisances or damage the property may be evicted and their guests restricted from the property.
3. **ALCOHOLIC BEVERAGES.** Drinking alcoholic beverages is strictly prohibited anywhere on the property except in the Resident's units.
4. **ALTERATIONS.** Changes to any fixture, wiring, or any part of the unit, including entry door locks are strictly prohibited without the advance written consent of the Property Manager. No credit will be given for repairs, painting, or other work done in a unit by a Resident. Approval must be obtained prior to hanging any object on a wall or ceiling that weighs in excess of five pounds. No ceiling hooks or adhesive mirror tiles are allowed.

The Resident shall not do any of the following without first obtaining the Property Manager's written approval:

- a. Install/disconnect a security alarm system or other security devices;
 - b. Install additional locks or deadbolt on the unit door;
 - c. Attach any shelves, screen doors, or other permanent hardware;
 - d. Change or remove any part of the appliances, fixtures or equipment in the unit; including smoke detectors or alarms
 - e. Paint or install wallpaper or contact paper, antennas and sunscreens in the unit;
 - f. Attach or place any fixtures, satellite dishes, signs or fences on the buildings, common areas, or the property grounds;
5. **AMERICANS WITH DISABILITY ACT & SECTION 504 – EQUAL ACCESS**
All requests for accommodation by Residents who have a disability shall be submitted to the Property Manager. All accommodation requests are processed in accordance with HUD policies. The policy and accommodation request forms are available upon request.

6. **APARTMENT DOORS.** In order to maintain the fire rating of the building and to ensure the privacy and security of all Residents, all apartment entry doors must be closed and locked except when in use.
7. **APPLIANCES.** Each apartment is furnished with certain appliances. The Resident Manager will instruct you on their use and care. You are responsible for any damage to these appliances. You are not to install any dehumidifiers, or any other type of appliance without Managements written approval. If the appliances are damaged due to resident negligence, the repairs will be paid by the resident.
8. **BREAKAGE.** Residents shall pay for all breakage, damage and cleaning. beyond normal wear and tear, to the premises and any furnishings in the premises.
9. **BULLETIN BOARD.** Notices of activities and other information of interest to Residents will be posted on the community bulletin boards. Posting of notices or material by Residents anywhere else on the property is strictly prohibited unless written approval is received by Management.
10. **CLEANING.** Residents are responsible for cleaning the unit, appliances, drapes / blinds and carpets during their tenancy and when they move out. Residents with continued warnings and violations of uncleanliness will be considered a lease violation and may be evicted.
11. **COMMUNITY ROOM.** The community room is available for Resident activities between the hours of 8 AM and 10 PM, daily. Residents who wish to use the community room for any activity or Tenant event must reserve the room in advance with management. A deposit may be required. Set-up and clean-up of the community room is the responsibility of the Resident. (Please refer to Community Room Use Policy)
12. **COMPLAINTS.** All complaints shall be made in writing to the Property Manager or his or her designee. Complaints may be sent by facsimile to (312) 377-1190; e-mail at info@rmschicago.com ; or U.S. Mail to 8 South Michigan Ave. Suite 3100 Chicago, IL 60603. Complaint forms are available at the property management office.
13. **CONSERVATION.** Residents are expected to use energy wisely. Conservation is essential to the efficient operation of the property. Every Resident shall participate in the City's and Managements conservation efforts.
14. **CRIMINAL ACTIVITIES.** The illegal use, sale or distribution of drugs, any criminal activity and/or any physical violence to persons or property by any Resident or member of a Resident household or Guest, on or off the premises, is prohibited and can result in eviction.
15. **DANGEROUS MATERIALS.** Paints, oils, gasoline or any flammable material, and all hazardous materials must be properly, safely and legally disposed. None of these materials are permitted in any unit, any storage areas, or on the property generally.
16. **DELIVERY.** Management will assume no responsibility for accepting deliveries of packages, mail, etc. on behalf of any Resident.
17. **DRESS CODE IN COMMON AREAS.** Residents are required to be fully dressed, including shoes when in the hall ways, lobby and community room. Pajamas and

robes should only be worn within the Resident's apartment. Residents are encouraged to be considerate of neighbors and always dress appropriately before leaving your home.

18. **DRUG FREE POLICY.** Do not disrupt any resident's rights to the peaceful enjoyment of their apartment, or of this building. Any pattern of alcohol abuse OR Drug abuse by any resident which is harmful to other residents or disruptive to the Community will be used as grounds for eviction. All residents must abide by the Drug-Free Policy instituted by the U.S. Department of Housing and Urban Development.
19. **DISRUPTIVE BEHAVIOR.** Behavior that disrupts the quiet enjoyment of other Residents is prohibited. Residents, family members and / or guests shall not loiter or run in stairways, landscaped areas or parking areas.
20. **ENTRY.** It is our desire to respect your privacy as a resident. However, management reserves the right to enter your apartment after a 48-hour notice has been given and the proper procedure, i.e., knocking and waiting a reasonable length of time, then opening and calling out, so they may enter and fulfill their duties, such as maintenance, unit inspections and pest control. This assures management proper care is being taken of the apartments. In case of an emergency, proper procedure of entry will be followed to ensure the safety of the resident or stop immediate damage to the property.
21. **EXTENDED ABSENCE OR ABANDONMENT.** A resident is allowed to have an extended absence period of 60 days for anything other than medical reasons. If the resident is absent longer than 60 days, a written approval must be given by management. If written approval is not obtained a notice to Terminate Tenancy will be issued in accordance to HUD regulations 24 CFR 247.4.

If a resident is absent from the unit for more than 180 consecutive calendar days, due to medical reasons or any other reason without prior approval by management, a Termination of Tenancy notification will be issued in accordance with HUD regulations. Extenuating circumstances will be considered and a longer period of absence may be granted.

Abandonment is defined as a resident being absent from the unit longer than 30 days without notification to management. A 10-day Notice will be posted on the door. Once the notice has expired, management will proceed with termination of tenancy.
22. **EXTERIOR ATTACHMENTS.** No attachments to the building or structure is permitted without the Property Manager's advance written approval. This includes, but is not limited to, wires, aerials, antennas for radio or television, ropes, other material or device used for clothes drying or other personal use shall be installed on the roof, decks, patios or other parts of the building. No electrical extensions are allowed beyond the Resident's private rented space.
23. **GARBAGE REMOVAL.** Garbage shall be properly enclosed in plastic garbage bags, which shall be fastened shut to prevent leaks and spillage. No glass, cat litter or large items may be disposed of using a building's trash chute. These items must be carried down and disposed of directly into the building's dumpster. No computers, monitors, television sets, or electronic equipment may be disposed of in the building's dumpster. Residents may contact management to find out the correct way to dispose of any trash, garbage or other refuse.

24. **GROCERY CARTS.** Storage of commercial grocery carts on the premises is

prohibited. Any Resident, family member or other person who leaves a grocery cart on the premises will be reported to the appropriate authorities. Any costs incurred in returning a cart will be charged to the Resident.

25. **GUESTS.** Your guests are most welcome to visit you. This is your home. All guests are required to follow all property policies and procedures. All guests are responsible to conduct themselves respectfully and not allow anyone else, who is not authorized to enter, to enter with them, taking advantage of the open door. This is to help ensure the security of everyone who lives here.
26. **INSPECTIONS.** Apartment Inspections are made upon Move-in and Move-out, as well as, on an Annual basis. Residents are expected to be present, participate and co-sign the inspection forms. Residents may designate someone to be present with them, or in their place.
27. **OVERNIGHT GUESTS.** You may have overnight guest(s) for a total of fourteen days in a six month period. It is your obligation to inform the Manager "who" your guest is and "when" he or she will be with you. You are responsible for their conduct while they are here. If possible, we would like to meet them so as to welcome them to our building.
28. **KEY REPLACEMENT.** Residents are permitted to have one replacement key at no charge. In the case of multiple replacement keys needed, a fee of \$50.00 will be assessed to the Resident.
29. **LANDSCAPE.** The Resident shall not alter, disturb or interfere in any way with the grounds or landscaping.
30. **LAUNDRY FACILITY.** Laundry facilities are for Resident use only. Common courtesy should be shown at all times when using washers and dryers. Normal laundry operating hours are between 8:00 AM and 9:00 PM, seven days a week. Use of the machines is on a first come, first serve basis. Clothes should be removed from the machines promptly so others may use the equipment. Management is not responsible for refunds; all refunds must be obtained by calling the number listed on the washers and dryers.
31. **LIGHT FIXTURES.** The use of light bulbs with a higher wattage than is allowed in any light fixture is a fire hazard and is strictly prohibited. You are responsible for the purchase of the 60 watt light bulbs in the ceiling fixtures. We provide fluorescent bulbs and the ceiling light bulbs used in your bathroom.
32. **LITTERING.** Littering the grounds and parking areas is strictly prohibited.
33. **LOCKOUTS.** During normal working hours, Residents who are locked out can contact the Resident Manager. Only the Head of Household, spouse, or co-head will be issued a key or given entry to a unit when locked out. After normal working hours or holidays, contact the property emergency number and management will be notified. Again, Only the Head of Household, spouse or co-head will be allowed into the unit with proper identification. The cost to change the lock will be the responsibility of the Resident and due upon completion.
34. **MAINTENANCE REQUESTS.** All requests for maintenance work can be made verbally or in writing to the Property Manager or his or her designee. Maintenance work order forms are available at the property management office. In the event of an emergency, Residents should call 9-1-1. For emergency maintenance work orders after-hours, Residents should contact the Resident Manager or Management

personnel on duty.

35. **MANAGEMENT DUTIES.** Refusal to cooperate with management in its exercising of rights and obligations in accordance with the Landlord Resident Act and dwelling lease constitutes a lease violation and is grounds for initiating the eviction process. Anyone who refuses to cooperate with management, or obstructs management from performing its duties, or is abusive to management staff, is subject to eviction.
36. **MOTOR SCOOTERS.** Residents that utilize motorized scooters must observe the building speed limit of 2 mph in all common areas and on the premises. Damage to the building and apartment including furniture, fixtures, etc. may result in charges to the resident responsible for the damage(s). Motorized Scooters must be turned off during activity functions. Motorized scooter racing in the building or on the premises is not allowed and will not be tolerated. Operating a motorized scooter while intoxicated or under the influence of illegal substances is also prohibited.
37. **NOISE.** Residents, family and guests shall keep the volume of musical instruments, radios, televisions, stereo, voices, etc. at a level that will not disturb neighbors. Any/all loud noises that disturb other Residents is a lease violation and grounds for eviction.
38. **OXYGEN USE.** Neither resident nor guest are allowed to smoke in the apartment if there is oxygen present. Oxygen tanks are highly combustible and smoking causes risk for possible fire or explosion. Therefore, having oxygen in the apartment and smoking or allowing others to smoke in the apartment is a violation of this rule and will lead to immediate termination of the lease.
39. **PARKING / VEHICLES.** Storage of inoperative and/or unlicensed vehicles on the property is not allowed. Vehicles that create a hazard, such as leaking oil, are also not allowed. Oil and water leaks from vehicles must be repaired immediately. All Residents must register their vehicle with management. Any vehicles not registered will be towed. Only minor automotive repairs are permitted on the property; No oil changes are allowed. Guest are to park on the property in designated visitor parking. If no visitor parking is available, the guest must park off property. Only one (1) vehicle is permitted per household. A second vehicle must belong to the co-head of household and must be approved by management. All persons with vehicles on property must have a valid Driver's License.
40. **PERSONAL PROPERTY.** Personal property (i.e. sofas, chairs, tables, plants, etc.) is not to be stored or placed in common areas or hallways without the Property Manager's approval. Instructions on how to properly dispose of large personal items, such as old televisions, sofas, tables and chairs, etc., is available from Management. A charge may apply for the disposal of personal property.
41. **PETS.** Pets are not permitted except for Reasonable Accommodation requests for service animals or dog guides. Please refer HUD ADA policies.
42. **RENT PAYMENTS.** Residents rent is payable on or before the first day of each month. It is delinquent on the 2nd day of the month. Payments may be sent by US Mail or dropped in the designated payment drop box located in the front lobby. Rent payment must be made by check, money order or cashier check. Payments in cash will not be accepted. Partial payments are not accepted. Payments will not be accepted by staff if the Resident is under eviction. A late charge will be applied to the Resident's account whenever rent is not received by the 5th of the month.

43. **LEASE TERMINATION AND SECURITY DEPOSIT.** A thirty (30) day written notice of your intent to vacate your apartment must be given in order for your security deposit to be refunded. This deposit will be returned within thirty (30) days after you vacate, if (a) your apartment is left clean and in good order, (b) the move-out inspection is done with you by the manager, (c) all charges for damages have been paid, and (d) a written notice has been received by the resident manager from you, the resident, advising as to your forwarding address.
44. **RESPONSIBILITY.** Diversey Manor Apartments, is NOT RESPONSIBLE for fire, theft, water or any other damage to a Resident's personal belongings when the damage is unforeseen or caused by the Resident's intentional, negligent and reckless behavior. For Resident's security, it is recommended that doors be kept locked at all times. IT IS SUGGESTED THAT RESIDENTS CONSIDER OBTAINING THEIR OWN APARTMENT RENTERS INSURANCE TO COVER LOSS OF THEIR PERSONAL PROPERTY.
45. **SECURITY.** All Residents are responsible for the security of the building. Do NOT open the fire doors or keep them propped open. Residents who are found tampering with the fire exit door will be given a verbal warning and any violation after will be written and considered a lease violation and may lead to eviction. Do NOT allow any person to enter the building through the fire exit, all guest must enter through the front door and sign in.
46. **SIGNS.** No signs may be posted in or about the premises without the Property Manager's permission in advance.
47. **SMOKE DETECTORS.** Each unit has an operational smoke detector. It is the responsibility of the Resident to notify management if the smoke detector is not working properly. Any smoke detector that is malfunctioning must be reported immediately. Because of the severe threat to the safety of all Residents, any Resident who disconnects or tampers with a smoke detector, or permits a relative or guest to disconnect or tamper with a smoke detector will receive a \$75.00 fine and may be evicted. SMOKE DETECTORS MUST BE OPERATIONAL AT ALL TIMES.
48. **SMOKING.** This is a Smoke FREE Property. Cigarettes, electronic vapor cigarettes' or chewing tobacco are strictly prohibited on the property. If a resident or guest(s) are found smoking on the property, a lease violation will be issued and the resident may be evicted.
49. **SPRINKLERS.** Residents shall not tamper with sprinklers, outside or inside fire extinguishers, outside equipment, general use appliances or outside/inside fuse boxes (except for those inside the individual units).
50. **STRAY ANIMALS.** Feeding stray animals or wildlife, including birds, creates a nuisance and a health and safety hazard and is not permitted on or near the premises.
51. **USE OF UNIT.** Residents shall use the unit as the sole dwelling for the Resident's household. Residents may engage in lawful business activities on the property only with the Property Manager's prior approval, and shall refrain from other activity which is illegal or which impairs the safety, comfort, and welfare of other Residents; or endangers the physical or social environment of the community. Residents shall comply with all laws, rules and regulations related to occupancy of the premises and to operating a business on the premises.

52. **WATER USE.** Water shall not be wasted or left running unattended in the kitchen, bathroom, or elsewhere. All plumbing defects must be promptly reported to management. Residents who cause damage to, or obstruct plumbing will be required to pay the cost of any needed repairs.
53. **WEAPONS.** No weapons of any kind are permitted on the community property. Any use of weapons by a resident or resident guest will be grounds for immediate termination of lease agreement
54. **WHEELED DEVICES.** All wheeled vehicles and devices including, but not limited to, bicycles, scooters and wheel chairs, must be used in a safe and courteous manner. Wheeled vehicles and devices may not be ridden on the grass or in planted areas. Wheeled vehicles and devices should not be stored on walkways, hallways, stairways, or other public areas, except as approved and specified by management.
55. **WINDOWS/PATIOS.** Dust mops, rugs, tablecloths and clothing may not be shaken, cleaned or left in any of the public areas, windows or doors. Exterior sills and ledges shall not be used for the storage of bottles, food, etc.

I / we by my / our signature(s) below, acknowledge that I/we have read and understand the above Rules and Policies and agree to comply with them.

DATE

HEAD OF HOUSEHOLD SIGNATURE

DATE

ADULT RESIDENT SIGNATURE

DATE

AGENT FOR OWNER SIGNATURE

NO PET AGREEMENT

This agreement is made between _____, hereinafter referred to as landlord, and [name of each tenant who signed original rental agreement],

tenant(s), hereinafter referred to as tenant, and is effective upon the date the last signature below is affixed.

1. Tenant agrees that he/she shall keep **no pets of any kind of description whatsoever** on the premises described as: _____

Apt. No.: _____ City/State: _____, Zip: _____

2. Furthermore, Tenant represents that he or she does not own any pets at the time of Tenant's signature hereto, or that, if so, the same are boarded somewhere other than at the premises, and that the same will not be introduced onto the premises permanently or temporarily during our tenancy there. This agreement does not apply to an animal that provides assistance to a qualified person with a disability, or of an animal that is shown to be necessary for the emotional well-being of a qualified person with a disability, as a service animal. Separate ownership rules (attached) apply to those animals.

3. This agreement is an addendum to the rental agreement by which the Tenant rents the premises described above, and upon execution by all parties shall become a part thereof, as if it had originally been incorporated into the text of the agreement. The breach of any term of this agreement shall be deemed a breach of the rental agreement, and subject to all remedies available under state law.

Date: _____

Tenant's Signature

Date: _____

Tenant's Signature

Date: _____

Tenant's Signature

Date: _____

Land lord/Agent's Signature

NO PET AGREEMENT

SMOKE FREE PROPERTY ADDENDUM

Reference is hereby made to a lease and/or tenancy at will agreement ("Lease") by and between the Tenant and the Landlord. The following additional provisions shall be fully applicable to the Lease and made part thereof as though included within the Lease itself.

DEFINITIONS: Smoking shall include the inhaling, exhaling, breathing, carrying, or possession of any lighted cigarette, cigar, pipe, electronic cigarette, chewing tobacco, other product containing any amount of tobacco, or other similar lighted product.

NO SMOKING RULE: No Tenant shall smoke in his/her unit or anywhere on the property. Tenant shall not allow his/her family members, occupants, invitees or guests to smoke in the Tenant's unit or anywhere on the property. Smoking shall be prohibited throughout the entire building and grounds, including but not limited to, inside all tenants' units, hallways, stairways, foyers, common rooms and facilities, decks, patios, exterior landings, front steps, entrance ways, roof-tops, fire escapes, basements, storage areas, parking areas, driveways, walkways, lawns, gardens adjoining grounds and building facilities and must extend 25 feet from property.

COMPLIANCE: Landlord shall take reasonable steps to ensure compliance with the terms and provisions of this Addendum, including the use of appropriate signage and enforcement. Tenant shall inform Tenant's guests of the no-smoking rule. Tenant shall promptly give Landlord notice of any incident of smoking or migrating secondhand smoke.

DISCLAIMER: Tenant acknowledges the following: a) that the adoption and/or enforcement of the no-smoking rule shall not make the Landlord a guarantor of Tenant's health; b) the adoption and/or enforcement of the no-smoking rule shall not, in any way, change the warranty of habitability, the covenant of quiet enjoyment, or other duty of care owed to the Tenant; and c) that Landlord's ability to police, monitor, or enforce the no-smoking rule is dependent in significant part on compliance by the Tenant, Landlord specifically disclaims any implied or express warranties that the building, common areas, or Tenant's premises will have any higher or improved air quality standards than any other rental property. Landlord cannot and does not warrant or promise that the unit or common areas will be free from secondhand smoke during enforcement efforts by Landlord or based on the migration of secondhand smoke originating from off the property.

EFFECT ON CURRENT RESIDENTS: Tenant acknowledges that current tenants residing in the complex under a prior lease, if any, will not be immediately required to cease smoking within their apartments. As current residents move out or have their leases renewed, the smoke-free policy will become effective for their apartments.

Witness the execution hereof under seal this (date): _____

Tenant

Tenant

Agent for Owner